THE HONOURABLE SRI JUSTICE GODA RAGHURAM

W.P. NO.25741 OF 2006

BETWEEN:

-

D.Ravinder son of Kedari

…petitioner

Vs.

A.P.State Financial Corporation, rep. By its Managing Director, Hyderabad and others

.. Respondents

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

THE HONOURABLE SRI JUSTICE GODA RAGHURAM

W.P. NO.25741 OF 2006

ORAL ORDER

One Dr.T.Venugopal, a medical practitioner, availed a loan from the 1st respondent for construction of a Nursing Home and to meet the working capital

requirements. The loan sanctioned was Rs.25 lakhs. An amount of Rs.24,25,000/- was disbursed to Dr.T.Venugopal. The petitioner admittedly offered his property, a commercial complex constructed in 99 square yards opposite Bus Stand, Station Ghanapur Village, Warangal, as collateral security for the loan availed by Dr.T.Venugopal. Two other persons also offered their property as collateral security for the said loan. Admittedly Dr.Venugopal, the principal borrower defaulted in the payment of the loan instalments to the 1st respondent.

The 1st respondent-Corporation invoked the powers available under Sec.29 of the State Financial Corporation Act,1951, seized the property of the petitioner which was offered as collateral security and notified it for auction on 22-02-2006. The auction was held at which the 3rd respondent quoted Rs.6,50,000/-. One Gunda Rajeswara Rao is stated to have offered Rs.7,50,000/- for the same property on 31-03-2006. Since Rajeswara Rao's offer was higher than the bid of the 3rd respondent at the auction held on 03-02-2006, it is stated that the 1st respondent finalized the price for the petitioner's property at Rs.7,51,000/- and 1st respondent registered the same in favour of the 3rd respondent, on 10-11-2006.

It would appear that Sri Rajeswara Rao challenged the conduct of the 1st respondent (in registering the property in favour of the 3rd respondent) by way of W.P.No.21925 of 2006. The said writ petition is stated to be pending.

On 07-11-2006 the petitioner submitted a representation to the 1st respondent offering to purchase his own property by paying the amount received at the auction on 03-02-2006. The 1st respondent is said to have received the petitioner's representation on 09-11-2006. However, the property was registered in favour of the 3rd respondent on 10-11-2006, is the complaint.

The petitioner assails the sale of his property on 03-02-2006 in this writ petition. In fact the petitioner has earlier filed writ petition No.23084 of 2006 challenging the conduct of the respondents in not accepting his offer contained in his letter dated.07-11-2006. The said writ petition is stated to be pending.

In the light of the chronology of facts stated above, the grievance of the petitioner urged in this writ petition does not have a legal profile. The petitioner has no legal basis to challenge the sale of his property in favour of the 3rd respondent. The petitioner cannot gainfully claim that the 1st respondent was bound to consider his representation dated.07-11-2006. There are no merits. The writ petition is dismissed. In the circumstances no order as to costs.

_____

GODA RAGHURAM,J

13th DECEMBER 22006

***TSNR**